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The Middle East impasse continued as reports indicated US President reluctance towards accepting Iran's proposal on reopening Strait of Hormuz. The likely impact was felt in today's trading session where both Oil prices (trading at US\$ 106/bbl) and DXY firmed up (101.1). Elsewhere, optimism prevailed on trade front where tariff relief on US\$ 60bn bilateral trade between US and China is expected. Among major commodities are household products, sporting equipment, toys and certain agricultural products. On macro front, core durable goods orders in the US edged up, inflation expectations firmed up (U. of Michigan Index). PPI data in Japan remained elevated at 3.7%. In China, industrial profits moderated. On domestic front, centre's H2 borrowing is pegged at Rs 7.86 lakh crore. For FY27, the gross borrowing target is curtailed by 1.2 lakh crore from its Budget estimate. However, the impact on yield is hardly visible, on account of global cues.

- Global stocks ended largely higher led by gains in AI and tech related stocks. However, markets in China and Hong Kong eased as investors monitored the outcome of US-China meeting. Sensex rose led by gains in consumer durables stocks. It is trading weaker today, in line with other Asian stocks.

Table 1 – Stock markets

	24-09-2026	25-09-2026	Change, %
Dow Jones	51,350	51,829	0.9
S & P 500	7,704	7,743	0.5
FTSE	10,680	10,695	0.1
Nikkei	65,514	66,364	1.3
Hang Seng	24,761	24,510	(1.0)
Shanghai Comp	3,937	3,888	(1.2)
Sensex	73,581	73,896	0.4
Nifty	23,063	23,141	0.3

Source: Bloomberg, Bank of Baroda Research

- Global currencies gained against a weaker dollar. DXY eased despite strong macro data. JPY gained the most as Japanese authorities stated that yen weakness was discussed with US President. INR strengthened as oil prices eased but is trading weaker today, in line with other Asian currencies.

Table 2 – Currencies

	24-09-2026	25-09-2026	Change, %
EUR/USD (1 EUR / USD)	1.1380	1.1391	0.1
GBP/USD (1 GBP / USD)	1.3219	1.3247	0.2
USD/JPY (JPY / 1 USD)	158.86	157.28	1.0
USD/INR (INR / 1 USD)	95.96	95.82	0.1
USD/CNY (CNY / 1 USD)	6.7111	6.7129	0
DXY Index	101.29	100.97	(0.3)

Source: Bloomberg, Bank of Baroda Research



- US 10Y yield fell by 4bps as US Treasury Secretary hinted at comfort on inflationary front from productivity led gains due to AI. Elsewhere, 10Y yield traded thinly. India's 10Y yield rose a tad tracking auction of 6.94% GS 2036, whose cut off yield firmed up. It is trading higher at 7.16% today albeit curtailed borrowing plan by Centre in FY27 from budgeted estimate.

Table 3 – Bond 10Y yield

	24-09-2026	25-09-2026	Change, bps
US	5.20	5.16	(4)
UK	5.38	5.37	(2)
Germany	3.60	3.60	0
Japan	3.08	3.08	0
China	1.67	1.67	0
India	7.11	7.12	1

Source: Bloomberg, Bank of Baroda Research

Table 4 – Short term rates

	24-09-2026	25-09-2026	Change, bps
Tbill-91 days	5.39	5.43	4
Tbill-182 days	5.81	5.77	(4)
Tbill-364 days	6.08	6.04	(4)
G-Sec 2Y	6.56	6.54	(2)
India OIS-2M	5.48	5.50	2
India OIS-9M	5.99	5.99	0
SONIA int rate benchmark	3.73	3.73	0
US SOFR	3.87	3.88	1

Source: Bloomberg, Bank of Baroda Research

Table 5 – Liquidity

Rs tn	24-09-2026	25-09-2026	Change (Rs tn)
Net Liquidity (-deficit/+surplus)	4.3	4.6	0.3

Source: RBI, Bank of Baroda Research

Table 6 – Capital market flows

	23-09-2026	24-09-2026	change (US\$ mn/Rs cr)
FII (US\$ mn)	783.8	(598.9)	(1,382.7)
Debt	29.7	(127.4)	(157.0)
Equity	754.2	(471.5)	(1,225.7)
Mutual funds (Rs cr)	(2,080.6)	(575.3)	1,505.3
Debt	(2,373.8)	(1,762.4)	611.3
Equity	293.1	1,187.1	894.0

Source: Bloomberg, Bank of Baroda Research, Note: Mutual fund data as of 18th and 21st Sep

- Oil prices moderated on hopes of de-escalation in US-Iran conflict but are trading much higher today amidst reports of closure of Strait of Hormuz.

Table 7 – Commodities

	24-09-2026	25-09-2026	Change, %
Brent crude (US\$/bbl)	106.6	104.3	(2.1)
Gold (US\$/ Troy Ounce)	4,275.0	4,284.8	0.2
Copper (US\$/ MT)	14,745.8	14,728.4	(0.1)
Zinc (US\$/MT)	4,061.0	3,995.8	(1.6)
Aluminium (US\$/MT)	3,250.0	3,268.0	0.6

Source: Bloomberg, Bank of Baroda Research



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